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AUSTIN
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(SURREY & MORSE)
1700 HUNTINGTON BUILDING
CLEVELAND, OHIO 44115

TELEPHONE 216 348 3939
TELEX 980389
CABLE ATTORNEYS CLEVELAND
TELECOPIER 216 887 0941
WRITER'S DIRECT NUMBER
348-7198
0483-rn
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January 28, 1987

Robin Henderson, Esq.
Office of General Counsel
GC - 23
U.S. Department of Energy
Room 6H087
1000 Independence Avenue
Washington, D.C. 20585

Re: Molter, et al. v. Brush Wellman Inc.

Dear Robin:

This letter is to confirm my telephone conversation with you on Wednesday, January 21, 1987. The purpose of my call was, and the purpose of this letter is, to provide notice to the United States Government and its pertinent departments and/or agencies of another action filed against Brush Wellman Inc. ("Brush") arising out of Brush's performance of Atomic Energy Commission Contract No. AT (30-1)-541 and to make demand upon the United States and the pertinent department and/or agencies, to defend, indemnify and hold Brush harmless in that action.

The action, entitled Leo E. and Ellen J. Molter v. Brush Wellman Inc., No. CI86-4075 #8, was filed December 31, 1986 in the Court of Common Pleas for Lucas County, Ohio and was served on Brush on January 7, 1987. In summary, Leo Molter, an employee of Brush alleges that, since his employment by Brush in 1955, Brush intentionally exposed him to beryllium and that, as a result of that exposure, he has contracted berylliosis. Mrs. Molter alleges loss of consortium. A copy of the complaint is enclosed for your convenience. As you know, current Ohio law permits employees to bring an action for intentional conduct against their employers even though they have a concurrent workers compensation claim filed.

Contract No. AT(30-1)-541 was entered into in July, 1950 (effective as of February, 1949) and was later extended into the 1960's with various modifications. Copies of this contract were previously supplied to the government in connection with the action Cook v. General Electric Co. and Brush Wellman Inc. We will gladly provide an additional copy if you so request.

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As set forth in that contract, the government is required to indemnify Brush for:

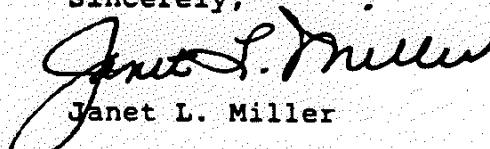
Costs and expenses of litigation by, against, or otherwise with, third parties arising out of performance of this contract, including judgments and court costs, reasonable attorneys' fees for private counsel when the Government does not furnish Government counsel, settlements made with the approval of the Commission, and allowances rendered or awarded in connection with suits for wages, overtime or salaries.

Brush, of course, stands ready to offer its full assistance to the government in the defense of this action and to discharge its responsibilities fully under any provisions of the contract which might be applicable in these circumstances. As I mentioned in our conversation, Brush has begun an investigation of this claim. We will keep you informed of its continuing investigations.

Pending receipt of a response to this letter, which we hope will be forthcoming shortly, we are drafting an appropriate response to the complaint and, if necessary, will obtain an extension of time in which to respond. The response to the complaint is now due February 4, 1987.

In addition to Brush's claim under the contract, it is clear that this employee was a Brush employee during the period Brush was a government contractor. He, therefore, also may be covered by the program that was recently announced by the Department of Energy relating to beryllium workers of the government and government contractors. To my knowledge this program has not been fully implemented yet and his claim may not be susceptible to handling by DOE at this time. Brush, however, preserves its rights under that program and any other applicable contract with the government as well.

Sincerely,



Janet L. Miller

cc: J. Michael Farrell, Esq.
Patrick M. McLaughlin, Esq.
John M. Newman, Jr., Esq.
James Stout, Esq.
Richard K. Willard, Esq.